



# “Building Communities Together”

A Networking Tool of HUD's Center for Community and Interfaith Partnerships

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## Proposed Budget Includes \$20 Million for Community and Faith-Based Groups

The Center is pleased to announce that the **Administration's proposed FY 2001 Budget**, released on February 7, 2000, contains a **new \$20 million initiative** to increase the involvement of faith-based and community-based organizations in housing and community development programs funded by HUD. If enacted by Congress, the “Community and Interfaith Partnerships Initiative” would make available \$20 million in competitive grants and targeted technical assistance to increase the role of faith-based and community-based organizations in supplying and maintaining affordable housing, creating economic opportunity, providing assistance for families to become self-sufficient, and participating in the wide range of HUD programs in high poverty areas.

**Funding under the new Community and Interfaith Partnerships Initiative would be used to increase the involvement of faith-based and community-based organizations in many important efforts**, including: providing services to homeless families trying to move to self-sufficiency; expanding the supply of affordable housing by purchasing properties, renovating them, and selling them to low-income families; helping to implement the housing voucher program by encour-

aging landlords in low poverty neighborhoods to accept the vouchers, mentoring families moving into unfamiliar neighborhoods, and ensuring members of the community understand the program (the Center's current efforts in this area are described inside on p.3); sponsoring community economic development activities to create jobs in low income areas; providing community-based services such as child care, job training, and transportation; and working with families and the

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community to promote greater understanding of, and compliance with, fair housing laws.

The \$20 million in grants would be funded through HUD's Community Development Block Grant program. Most of the funds would be awarded on a competitive basis to faith-based and community-based organizations including social service and community development organizations affiliated with national denominations. These funds would provide technical assistance to faith-based and community-based organizations to increase their capacity to serve more families and to adhere to church/state guidelines. In addition, a portion of the funds would be used by the Center to conduct training, capacity building activities and for evaluation.

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## Proposed HUD Budget Strongest in 20 Years

President Clinton has proposed increasing the Department of Housing and Urban Development's budget by \$6 billion in Fiscal Year 2001 to \$32.1 billion – the strongest HUD budget in more than 20 years, with increases in every program area.

HUD Secretary Andrew Cuomo said that the budget the President submitted to Congress provides HUD with the tools it needs to deliver on its core mission of promoting adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination. Those tools are provided in the budget by:

***Building on Success in Increasing Affordable Housing*** by increasing the quality, availability and affordability of housing. Initiatives in the budget include:

- 1) 120,000 new Incremental Housing Vouchers, at a value of \$690 million, to address the growing need for affordable housing.
- 2) The Public Housing Capital Fund at \$2.955 billion, an \$86 million increase, to sustain existing housing resources.
- 3) Elderly Housing Production at \$779 million, a \$19 million increase, to create housing tailored to the needs of senior citizens.
- 4) The Continuum of Care Homeless Assistance grant program at \$1.2 billion, a \$180 million increase, to fund community-designed solutions to help homeless people get housing and become self-sufficient.

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***Building on Success in Economic Revitalization*** to promote jobs and economic development. Initiatives in the budget include:

- 1) A \$119 million increase in the Community Development Block Grant program to \$4.9 billion, to help communities remain competitive and create economic opportunity.
- 2) America's Private Investment Companies at \$37 million, to stimulate \$1.5 billion in private debt and equity investment in low- and moderate-income areas.
- 3) A Round III of Empowerment Zones, in which 10 new urban Zones would be designated.
- 4) The Economic Development Initiative/Community Empowerment Fund at \$100 million, a \$76 million increase, to create jobs and promote economic development in distressed areas.

***Building on Success in Promoting and Enforcing Fair Housing*** by ensuring that no one in America is prevented, based on race or other illegal factors, from living wherever they choose. President Clinton is proposing a \$50 million Fair Housing budget – a 12 percent increase – to step up the fight against housing discrimination.

***Building on Success in Promoting Livable and Safe Communities*** by increasing the livability and quality of life in regions throughout the country, and increasing safety and security in neighborhoods, paving the way for economic redevelopment. Included in the budget are:

- 1) A \$30 million Community Gun Safety and Violence Reduction Initiative, which will help communities reduce gun deaths and lower crime, making communities more attractive and stimulating revitalization.
- 2) A \$20 million Community and Interfaith Partnerships Initiative, which will help community groups supply af-

*fordable housing, create economic opportunity, promote the goal of fair housing, and increase the effectiveness of housing voucher programs.*

The new budget proposal builds on two years of excellent budgets for HUD and the successful implementation of sweeping management reforms that were instituted by Secretary Cuomo.

## Commitment to Justice Conferences Continue

The Center held the third in its series of "Commitment to Justice" conferences in **Houston, Texas on January 26-27, 2000**. The conference drew some 375 participants from across the Southwest region.

**Kirbyjon Caldwell, Senior Pastor of Windsor Village United Methodist Church**, a best-selling author, and a nationally recognized leader in faith-based community economic development gave an inspiring keynote address in which he urged conference participants to be guided by "**VAC: Vision, Attitude, and Compassion**" in mobilizing faith-based organizations in the effort to bring economic justice to distressed communities. The **Most Reverend Joseph A. Fiorenza, the Catholic Bishop for the Diocese of Galveston-Houston** also addressed the conference, arguing that safe and decent housing is a fundamental human right.

The next conference is slated for the **week of March 13, 2000 in Chicago, Illinois**. A draft agenda and list of workshops, as well as materials from prior conferences have been posted at [www.hud.gov/cdc/commjust.html](http://www.hud.gov/cdc/commjust.html). To obtain more information (such as an updated date for the Chicago conference) or to register, call 1-800-308-0395.

...*"CCIP Initiative" continued from page 1*

Secretary Andrew Cuomo, recognizing and supporting the need for more funding directed toward faith and community-based organizations, initiated this exciting new proposal. Secretary Cuomo's interest in providing increased funding for community and faith-based groups was generated in part, by the excitement and energy that have surrounded the Community 2020 on "The Role of Faith and Justice in Public Policy" forum held in November, 1999, as well as the "Commitment to Justice Conferences" being sponsored by the Center around the country.

Since the Center was established two years ago, it has functioned primarily as an information clearing house and ombudsman for community and faith-based groups. The Center currently is not a funding source. The Community and Interfaith Partnerships Initiative, if enacted by Congress, would greatly enhance and expand the Center's ability to assist the community and faith-based groups that it serves.

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Andrew Cuomo, Secretary  
 U.S. Department of Housing and Urban Development

## What's New in HUD Policy?

### FBOs Can Expand Housing Opportunities for Section 8 Voucher Recipients

The Department of Housing and Urban Development is relying increasingly on Section 8 vouchers to augment the supply of affordable housing and accommodate those displaced by efforts to revitalize public housing. The President's request for an additional 120,000 vouchers in the FY 2001 budget reflects this trend.

Occasionally, recipients have difficulty using Section 8 vouchers, because of NIMBYism, discrimination, and landlord resistance to Section 8 tenants. These practical difficulties in using Section 8 vouchers limit the recipients' ability to choose quality housing and to access job opportunities in regional economies.

As a result, the Center is currently engaged in a campaign to encourage faith-based organizations to play a key role in expanding the housing opportunities for Section 8 voucher recipients.

Faith-based organizations are uniquely positioned to facilitate the regional mobility necessary to optimize the impact of Section 8 vouchers. They have experience in community organizing, credibility in public dialogue, access to volunteers and other resources, and an ability to tap into people's inner commitment to social responsibility in ways that often elude government, business, and other local institutions.

For example, FBOs can have an impact by:

- ~reaching out to landlords to encourage them to participate in the program
- ~forming mentoring groups (like those common in welfare reform) to

provide voucher recipients moving to new communities with the necessary ongoing support, and to help with related issues such as employment, child care, etc.

~offering their group to the landlord as a contact in the event of problems

~helping voucher-holders better understand the program, answering questions, etc.

~putting families in touch with a Section 8 voucher-holder who has successfully navigated the system

~providing housing search assistance and mobility counseling to voucher-holders

~making funds available (or establish a revolving loan fund) for security deposits, first and last months' rent, moving costs, utility hook-up fees, and other costs that families may need to bear to afford housing with a voucher.

There are various sources of funding - both public and private - which potentially could be used to support community and faith-based efforts to make Section 8 rental vouchers more effective.

#### HUD

#### • FAIR HOUSING INITIATIVES PROGRAM (FHIP)

#### • HOPE VI - PUBLIC HOUSING REVITALIZATION - Relocation Funds

#### • HOUSING COUNSELING

#### • COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

*(Note: FHIP & Housing Counseling funds are available through the HUD SuperNOFA. HOPE VI & CDBG moneys are awarded locally, through housing authorities with HOPE VI grants & the consolidated planning process, respectfully.)*

#### NON-HUD

#### • TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

#### • FOUNDATIONS

Additionally, this activity is potentially fundable under the Center's new \$20 million community and faith-based initiative in the President's FY 2001 budget proposal.

***For more information, contact Brian Siebenlist @ (202) 708-0614 x 5415.***

# Interview with Syracuse Rescue Mission

During the Center's recent **Commitment to Justice** conference in Syracuse, participants toured several HUD funded, community development sites. One group visited the Rescue Mission of Syracuse. The Rescue Mission of Syracuse is a major social service provider for the city of Syracuse, New York and the surrounding region. The Rescue Mission serves over 800 meals a day. Any sober, homeless man can spend the night in a supervised 67 bed shelter. Men or women who are intoxicated can stay at the Mission's Alcohol Crisis Center. The Mission also provides transitional housing and rehabilitative counseling for men and women recovering from alcoholism or other addiction. The organization runs a community center and summer camp open to all young people, serving primarily inner-city youth. In 1998, 23 men and women earned their high school equivalency diplomas at the Mission's Motivational Learning Center.

Recently, the Center (CCIP) spoke with Chasz Parker, the Executive Director of this amazing organization.

**CCIP:** What are you most proud of in all the work the Rescue Mission accomplishes?

**CP:** I am extremely proud of the Rescue Mission's continual history, going back more than 113 years of serving poor and distressed people in the Syracuse region. Throughout all 113 years we have repeatedly changed our methods to fit the needs of the times but remained constant in our mission and message— We care for every person because God cares for every person, especially the poor and vulnerable, even if their current need is the result of what we consider bad behavior.

Originally we had a Gospel boat

that worked on the Erie Canal. When the canal ceased, we ran gospel wagons around old Syracuse. In the era when neighborhoods dominated civic life, we ran neighborhood centers. Now we are focusing on integrating all our services so that whenever anyone appears at our door asking for help, we are ready to offer it. We address physical, emotional, spiritual, intellectual/educational and social needs."

**CCIP:** You and all your staff use the

**"The key issue is we are strongly mission and values driven."**

**-Chasz Parker, Executive Director**

language of "ministry" to describe your work. What difference does a faith perspective make in your work?

**CP:** I say the distinction between the sacred and secular is an artificial division. It is all God's world. He is reaching out to everybody. Here at the Rescue Mission a faith perspective keeps us focused on the bottom line, which for us, in our work, is always about personal change. People don't come to us unless (at some level) they recognize they need to change their life, and real, lasting change always comes from within. Externals can offer temporary support, and create an environment in which people can hear and recognize God reaching out to them, but ultimately they have to make an internal commitment, and when it is a spiritual commitment, when they say, "God I'm in over my head. Help me!" then they are on the road to recovery.

Now I have just used a lot of religious language, and when I address churches, or synagogues, or other faith groups, I explain our work by saying, 'God loves the sinner but hates the sin.' If I am talking to therapists, or social workers, I say, 'We accept the person but work to extinguish the negative behavior.'

**CCIP:** How have you used HUD funds?

**CP:** Recently, we won SuperNOFA funds, three years of funding through HUD's Supportive Housing Program (SHP) for our Supported Transitions and Establishment Program (STEP). STEP works with chronic homeless individuals, men & women, to move from emergency shelter to independent or nearly fully independent living with practical resources and follow-up case management.

**CCIP:** Has federal funding ever forced you to compromise how you deliver services?

**CP:** I think the key issue is we are strongly mission and values driven; we never chase money simply because it is available. We have to know and be very up front about what we want to do with the money and understand what are the program requirements. If it is not a good fit, we do not go for the money.

Additionally, no staff of the Rescue Mission assumes a right to share faith with another person. We work hard to establish a trusting relationship, and if invited, staff will share their faith. If you come to the Rescue Mission for a meal, you do not have to pray for your food. We are going to say grace, but you do not have to pray.

To contact the Syracuse Rescue Mission, go to [www.rmsyr.org](http://www.rmsyr.org) or email Mr. Parker at [chaszp@aol.com](mailto:chaszp@aol.com) or call 315-472-6251.





# Center Toolbox: Forming a 501(c)(3)

For organizations interested in engaging in community development activities, it is usually worth pursuing status as a tax-exempt non-profit organization. Tax exempt status has several potential advantages, including: (1) assisting fund-raising by making donations to the organization tax deductible; (2) increasing the number of grants available as potential sources of funding - many grant programs require non-profit status; and (3) exempting the organization from some forms of taxation. Religious institutions frequently are already recognized as a kind of tax exempt organization. It is advisable for religious institutions interested in community development work to set up a separate non-profit organization to engage in development activities, to ensure accurate accounting and to avoid placing the religious institution itself at any financial risk.

Tax exempt organizations are sometimes referred to as "501(c)(3)" organizations, referring to the provision of the Internal Revenue Code that exempts certain nonprofit organizations from Federal income tax.

If you are considering forming a tax exempt organization, HUD suggests that you consult an attorney or TA provider familiar with the law of non-profit and tax exempt organizations. Many state and local bar associations can assist in obtaining free legal assistance for organizations with limited resources.

Forming a tax exempt non-profit typically involves these steps:

## 1. Checking for Availability of the Proposed Name of the Organization

Call your Secretary of State's office to check names for duplication. It is advisable to file the Articles of Incorporation shortly after checking the name to make sure it is not used by another organization.

## 2. Writing and Filing Articles of Incorporation

Articles are difficult to amend and should be written in general terms. A Secretary of State's office will typically have a form "Articles of Incorporation" available upon request.

## 3. Writing Bylaws

The Bylaws are fairly easy to amend and do not have to be perfect in order to file for 501(c)(3) status. The following items should be addressed in the Bylaws: Membership (its composition, how/when membership meetings occur, what notice is required for meetings, criteria/process for calling special meetings, voting); Board of Directors (number, election process, meetings, length of term); Fiscal Management (fiscal year, committee/officer responsibility); Amendments (how to amend Bylaws).

## 4. Obtaining Tax Exempt Status from the Internal Revenue Service (IRS)

Call the IRS (800/829-3676) to request the following forms:  
*~Form SS-4 Application for Employer Identification Number (EIN)*  
*~Form 1023 Application for Recognition under 501(c)(3) of the Internal Revenue Code*  
*~Form 8718 User Fee for Exempt Organization Determination Letter Request*  
*~Publication 557 Tax-Exempt Status for Your Organization*

Organizations should file these forms within 15 months of incorporation. Form 1023 requires a filing fee averaging \$500. To file these forms, the organization must be able to provide a description of exempt purpose and actual programs, who the organization is serving and why, where will the organization's funds originate, private vs. public support and a three year projected budget. Average processing time for Form 1023 is 100 days. Processing for EIN number takes approximately 10 days. Banks require this number before an organizational account can be opened.

## 5. Obtaining State Benefits Related to Federal Tax Exempt Status

Procedures vary from state to state but in general, obtaining federal tax exempt status from the IRS entitles an organization to some state benefits. Contact your State Department of Revenue to receive an application for Certification of Exempt Status, complete, and submit the necessary form. This Certification will, in most cases, exempt the organization from the payment of state sales taxes on items that it purchases. If the organization intends to sell products or services subject to sales tax, call the State Department of Revenue about obtaining a tax identification number.

## 6. Complying with Financial Requirements Needed to Maintain Tax Exempt Status

Once your newly formed corporation acquires tax-exempt status, it must comply with specific accounting requirements and guidelines on business activities required by the IRS to maintain tax exempt status. In addition, Federal Form 990, Return of Organization From Income Tax must be filed by 501(c)(3) organizations (except purely religious organizations) annually with the IRS five and one-half months after the end of the organization's fiscal year.